

**Executive Summary – Enforcement Matter – Case No. 51886**  
**ETC Field Services LLC**  
**RN100238633**  
**Docket No. 2016-0225-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Keystone Gas Plant, located approximately 0.3 mile east of the intersection of County Road 301 and Farm-to-Market Road 1218 near Kermit, Winkler County

**Type of Operation:**

Natural gas processing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** July 22, 2016

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$76,500

**Amount Deferred for Expedited Settlement:** \$15,300

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$61,200

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** June 24, 2015

**Date(s) of NOE(s):** August 26, 2015

**Executive Summary – Enforcement Matter – Case No. 51886**  
**ETC Field Services LLC**  
**RN100238633**  
**Docket No. 2016-0225-AIR-E**

***Violation Information***

Failed to maintain the minimum sulfur recovery efficiency and to comply with the permitted emissions rate. Specifically, between September 16, 2013 and June 21, 2014, the Sulfur Recovery Unit Stack, Emission Point Number ("EPN") S-1, did not maintain a sulfur recovery efficiency of at least 95%, ranging from 25.63% to 93.67% for 149 days, and exceeded the sulfur dioxide emissions rate of 182.88 pounds per hour ("lbs/hr") by an average of 230.67 lbs/hr for a total of 1,574 hours, resulting in the unauthorized release of approximately 363,075 pounds of sulfur dioxide [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 2724, Special Conditions Nos. 1 and 3, Federal Operating Permit No. 02940, Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

N/A

**Technical Requirements:**

The Order will require the Respondent to:

- a. Within 30 days, implement measures and/or procedures to ensure that EPN S-1 maintains the minimum sulfur recovery efficiency and complies with the sulfur dioxide emissions rate; and
- b. Within 45 days, submit written certification to demonstrate compliance with a.

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

**Executive Summary – Enforcement Matter – Case No. 51886**  
**ETC Field Services LLC**  
**RN100238633**  
**Docket No. 2016-0225-AIR-E**

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** David Carney, Enforcement Division,  
Enforcement Team 4, MC 149, (512) 239-2583; Michael Parrish, Enforcement Division,  
MC 219, (512) 239-2548

**TCEQ SEP Coordinator:** N/A

**Respondent:** Clint Cowan, Environmental, Health & Safety Vice President, ETC Field  
Services LLC, 800 East Sonterra Boulevard, San Antonio, Texas 78258

Thomas Becker, Manager, ETC Field Services LLC, 800 East Sonterra Boulevard, San  
Antonio, Texas 78258

**Respondent's Attorney:** N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

## DATES

Assigned  
PCW

31-Aug-2015  
16-Feb-2016

Screening

5-Feb-2016

EPA Due

20-Feb-2016

## RESPONDENT/FACILITY INFORMATION

Respondent ETC Field Services LLC

Reg. Ent. Ref. No. RN100238633

Facility/Site Region 7-Midland

Major/Minor Source Major

## CASE INFORMATION

Enf./Case ID No. 51886

Docket No. 2016-0225-AIR-E

Media Program(s) Air

Multi-Media

No. of Violations 1

Order Type 1660

Government/Non-Profit No

Enf. Coordinator David Carney

EC's Team Enforcement Team 4

Admin. Penalty \$ Limit Minimum

\$0

Maximum

\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)**

**Subtotal 1** \$75,000

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History**

**2.0%**

Adjustment

**Subtotals 2, 3, & 7**

**\$1,500**

Notes

Enhancement for one NOV with dissimilar violations.

**Culpability**

No

**0.0%**

Enhancement

**Subtotal 4**

**\$0**

Notes

The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments**

**Subtotal 5**

**\$0**

**Economic Benefit**

Total EB Amounts \$785

Estimated Cost of Compliance \$5,000

**0.0%** Enhancement\*

\*Capped at the Total EB \$ Amount

**Subtotal 6**

**\$0**

**SUM OF SUBTOTALS 1-7**

**Final Subtotal**

**\$76,500**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**

**0.0%**

**Adjustment**

**\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount**

**\$76,500**

**STATUTORY LIMIT ADJUSTMENT**

**Final Assessed Penalty**

**\$76,500**

**DEFERRAL**

**20.0%**

Reduction

**Adjustment**

**-\$15,300**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

**PAYABLE PENALTY**

**\$61,200**

Screening Date 5-Feb-2016

Docket No. 2016-0225-AIR-E

PCW

Respondent ETC Field Services LLC

Policy Revision 4 (April 2014)

Case ID No. 51886

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100238633

Media [Statute] Air

Enf. Coordinator David Carney

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 2%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for one NOV with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 2%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 2%

Screening Date 5-Feb-2016  
Respondent ETC Field Services LLC  
Case ID No. 51886

Docket No. 2016-0225-AIR-E

PCW

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100238633

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 2724, Special Conditions Nos. 1 and 3, Federal Operating Permit No. O2940, Special Terms and Conditions No. 8, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain the minimum sulfur recovery efficiency and to comply with the permitted emissions rate. Specifically, between September 16, 2013 and June 21, 2014, the Sulfur Recovery Unit Stack, Emissions Point Number ("EPN") S-1, did not maintain a sulfur recovery efficiency of at least 95%, ranging from 25.63% to 93.67% for 149 days, and exceeded the sulfur dioxide ("SO<sub>2</sub>") emissions rate of 182.88 pounds per hour ("lbs/hr") by an average of 230.67 lbs/hr for a total of 1,574 hours, resulting in the unauthorized release of approximately 363,075 pounds of SO<sub>2</sub>.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 10

278 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$75,000

Ten monthly events are recommended for the period of non-compliance from September 16, 2013 to June 21, 2014.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$75,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$785

Violation Final Penalty Total \$76,500

This violation Final Assessed Penalty (adjusted for limits) \$76,500

# Economic Benefit Worksheet

Respondent ETC Field Services LLC  
 Case ID No. 51886  
 Reg. Ent. Reference No. RN100238633  
 Media Air  
 Violation No. 1

Percent Interest 5.0  
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount  
 Item Description No commas or \$

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	16-Sep-2013	5-Nov-2016	3.14	\$785	n/a	\$785

## Notes for DELAYED costs

Estimated delayed cost to implement measures and/or procedures to ensure that EPN S-1 maintains the minimum sulfur recovery efficiency and complies with the SO2 emissions rate. The Date Required is the initial date of non-compliance and the Final Date is the estimated date of compliance.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

## Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$785





# Compliance History Report

**PUBLISHED** Compliance History Report for CN603263823, RN100238633, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

<b>Customer, Respondent, or Owner/Operator:</b>	CN603263823, ETC Field Services LLC	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	2.24
<b>Regulated Entity:</b>	RN100238633, KEYSTONE GAS PLANT	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	0.69
<b>Complexity Points:</b>	7	<b>Repeat Violator:</b>	NO		
<b>CH Group:</b>	03 - Oil and Gas Extraction				
<b>Location:</b>	APPROXIMATELY 0.3 MILE EAST OF THE INTERSECTION OF COUNTY ROAD 301 AND FARM-TO-MARKET ROAD 1218 NEAR KERMIT, TEXAS, WINKLER COUNTY				
<b>TCEQ Region:</b>	REGION 07 - MIDLAND				
<b>ID Number(s):</b>					
<b>AIR OPERATING PERMITS</b> ACCOUNT NUMBER WM0011U	<b>AIR OPERATING PERMITS</b> PERMIT 2940				
<b>PUBLIC WATER SYSTEM/SUPPLY</b> REGISTRATION 2480011	<b>AIR NEW SOURCE PERMITS</b> PERMIT 2724				
<b>AIR NEW SOURCE PERMITS</b> ACCOUNT NUMBER WM0011U	<b>AIR NEW SOURCE PERMITS</b> AFS NUM 4849500006				
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 73140	<b>AIR NEW SOURCE PERMITS</b> PERMIT 73600				
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 90277	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 36121				
<b>AIR EMISSIONS INVENTORY</b> ACCOUNT NUMBER WM0011U					
<b>Compliance History Period:</b>	September 01, 2010 to August 31, 2015	<b>Rating Year:</b>	2015	<b>Rating Date:</b>	09/01/2015
<b>Date Compliance History Report Prepared:</b>	April 26, 2016				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	April 26, 2011 to April 26, 2016				
<b>TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.</b>					
<b>Name:</b>	David Carney	<b>Phone:</b>	(512) 239-2583		

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

## Components (Multimedia) for the Site Are Listed in Sections A - J

- A. Final Orders, court judgments, and consent decrees:**  
N/A
- B. Criminal convictions:**  
N/A
- C. Chronic excessive emissions events:**  
N/A
- D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	August 01, 2011	(943486)
Item 2	October 06, 2011	(958819)
Item 3	November 10, 2011	(964614)
Item 4	April 19, 2012	(1000955)
Item 5	May 24, 2012	(1007915)
Item 6	June 11, 2012	(1009547)
Item 7	September 04, 2012	(1027484)
Item 8	November 04, 2013	(1128647)
Item 9	November 15, 2013	(1132450)
Item 10	January 08, 2014	(1134933)
Item 11	January 15, 2014	(1133086)
Item 12	January 17, 2014	(1134278)
Item 13	February 11, 2014	(1146949)
Item 14	February 12, 2014	(1138610)
Item 15	February 20, 2014	(1150779)
Item 16	February 21, 2014	(1150553)
Item 17	June 23, 2014	(1177814)
Item 18	June 25, 2014	(1178238)
Item 19	June 26, 2014	(1178371)
Item 20	August 11, 2014	(1178335)
Item 21	August 15, 2014	(1179121)
Item 22	August 25, 2014	(1191766)
Item 23	November 12, 2014	(1204222)
Item 24	November 17, 2014	(1204357)
Item 25	November 20, 2014	(1205049)
Item 26	December 05, 2014	(1205699)
Item 27	December 29, 2014	(1205598)
Item 28	January 05, 2015	(1205632)
Item 29	January 21, 2015	(1217500)
Item 30	January 22, 2015	(1217080)
Item 31	March 11, 2015	(1230572)
Item 32	May 07, 2015	(1247295)
Item 33	October 08, 2015	(1282835)
Item 34	November 03, 2015	(1288616)
Item 35	December 04, 2015	(1295200)
Item 36	December 10, 2015	(1296187)
Item 37	December 29, 2015	(1296189)
Item 38	February 10, 2016	(1308033)
Item 39	April 25, 2016	(1323191)

#### E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	08/26/2015	(1267543)	CN603263823
	Self Report?	NO		Classification: Minor
	Citation:	30 TAC Chapter 106, SubChapter W 106.512(2)(C)(i) 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(ii) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to conduct semi-annual portable analyzer testing for NOx and CO of units C-1 and C-20 for the second semi-annual period. This is an alleged violation of 30 TAC 106.512(2)(c)(i)(ii) and from their NSR Permit 73600 which requires evaluations of engine performance be done semi-annually.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(2) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6625 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to record Catalyst Pressure Drops recorded for Units 26, 27, and 28 from January through June, 2014. The RE is required to record a Catalyst Pressure Drop once per month on these three engines for compliance with the RICE MACT rules. The RE started to record again for July, 2014. These are alleged violations of 40 CFR 63.6625, 30 TAC 101.20 (2) and 30 TAC 122.143 (4).		
	Self Report?	NO		Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111  
5C THSC Chapter 382.085(b)  
Description: Failure to conduct quarterly visible emissions logs for the third quarter of 2013 and the first two quarters of 2014. This is an alleged violation of 30 TAC 111.111 and is part of their Special Terms and Conditions 2(iv)(1) for their operating permit.

**F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
ETC FIELD SERVICES LLC  
RN100238633**

**§  
§  
§  
§  
§**

**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2016-0225-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding ETC Field Services LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located approximately 0.3 mile east of the intersection of County Road 301 and Farm-to-Market Road 1218 near Kermit, Winkler County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 31, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Seventy-Six Thousand Five Hundred Dollars (\$76,500) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Sixty-One Thousand Two Hundred

Dollars (\$61,200) of the administrative penalty and Fifteen Thousand Three Hundred Dollars (\$15,300) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to maintain the minimum sulfur recovery efficiency and to comply with the permitted emissions rate, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 2724, Special Conditions Nos. 1 and 3, Federal Operating Permit No. 02940, Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 24, 2015. Specifically, between September 16, 2013 and June 21, 2014, the Sulfur Recovery Unit Stack, Emissions Point Number ("EPN") S-1, did not maintain a sulfur recovery efficiency of at least 95%, ranging from 25.63% to 93.67% for 149 days, and exceeded the sulfur dioxide ("SO<sub>2</sub>") emissions rate of 182.88 pounds per hour ("lbs/hr") by an average of 230.67 lbs/hr for a total of 1,574 hours, resulting in the unauthorized release of approximately 363,075 pounds of SO<sub>2</sub>.

## III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

#### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: ETC Field Services LLC, Docket No. 2016-0225-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order, implement measures and/or procedures to ensure that EPN S-1 maintains the minimum sulfur recovery efficiency and complies with the SO<sub>2</sub> emissions rate; and
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section Manager  
Midland Regional Office  
Texas Commission on Environmental Quality  
9900 W. IH-20, Ste. 100  
Midland, Texas 79706

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing",



and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

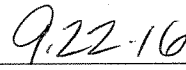
## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

  
For the Executive Director

  
Date

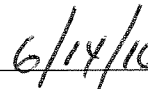
I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.


I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
Signature

  
Date

  
Name (Printed or typed)  
Authorized Representative of  
ETC Field Services LLC

  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.